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August 3, 2009

Re: Docket No. 2008-0273; In the Matter of Public Utilities Commission Instituting a Proceeding to Investigate the Implementation of Feed-in Tariffs

To: Service List

Enclosed please find information requests ("IRs") prepared by the Commission's consultant, the National Regulatory Research Institute, for the above-referenced docket. The parties are directed to respond to the IRs within ten days of the date of this letter.

Please contact the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Kaiulani Kidani Shinsato".

Kaiulani Kidani Shinsato  
Commission Counsel

KKS:laa

Enclosure

The Commission requests that the parties address the following questions to enhance the record in Docket No. 2008-0273.

1. During the course of the hearing and in submittals, certain parties described the difficulty in monetizing state tax credits. The Commission asks for a detailed explanation, citing the specific tax statutes of the tax credits that developers *cannot often monetize*. If the tax credits are useful for some projects, such as residential solar PV installations, but not others, please specify which projects the specific available tax credits are or are not frequently available for and why.
2. The Commission is evaluating FiT rates that are non-levelized. Like levelized rates, such rates would provide projects recovery of their costs and a reasonable rate of return. Non-levelized rates would increase over time based on a predetermined discount or inflation rate. Pages 27 through 29 of Haiku Design and Development's opening brief describe and illustrate such an approach.

The Commission requests that the parties provide feedback on whether such rates, if they provide the same level of compensation (when adjusting for the time value of money) would be practicable for developers. In particular, could debt and equity financing structures accommodate rates that provide lower compensation early on and more compensation later, reducing early cash flow? Would doing so increase the overall required FiT compensation?

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